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GENERAL

NO. 621

1. Possible Soviet intentions in CFM meeting -- In reply to queries from the Norwegian and Swedish Embassies in Washington, an official of the Department of State has declared that the US has no clear indication of what has impelled the USSR to suggest the lifting of the Berlin blockade and the reconvening of the Council of Foreign Ministers. The Department official suggested as possibilities, however, that: (a) the USSR has been suffering from the counterblockade, as well as the adverse political effects of the Soviet blockade and the successful airlift; (b) the Soviet Union is attempting to retard progress on the establishment of a western German government; and (c) the Kremlin may be preparing for a major change of tactics and may put forward far-reaching proposals at the CFM meeting. The US official expressed his personal conviction that there is no possibility at this time of a change in basic Soviet objectives. He made it clear that although any Soviet proposals would be carefully examined. the preparations for the western German government will continue to go forward unless full agreement is reached on a government for Germany as a whole.

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2. INDOCHINA: Plans of Bao Dai for personal appeal to US-US Consul Gibson at Hanoi has been informed that ex-Emperor Bao Dai intends to return to France about one month after the French Assembly has taken the action necessary for establishment of his regime in Indochina. According to the informant, Bao Dai then expects to visit the US in order to "establish contact" and probably to request US arms for the new Vietnamese army.

State Dept. declassification & release instructions on file

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(CIA Comment: The French National Assembly will convene on 17 May and fairly prompt action on the Vietnam problem is anticipated. Bao Dai's absence during a period when the new government is being established may indicate that he lacks confidence in his personal ability to rally non-Communist nationalists in Vietnam and suggests that he is unwilling to assume governmental responsibility without assurances of support.)